Section 3. . . . The Council of the State Society shall have authority to expel a member should a component society or district society fail to do so after being so requested by the Council.

4241 ENFORCEMENT OF MEDICAL ETHICS

From a statement issued by the Council of the State Society. A complete copy will soon be sent to every state society member.

NUMEROUS COMPLAINTS RECEIVED

During the past year, numerous complaints concerning violations of The Principles of Medical Ethics have been made to the Council by members located in several parts of the state. These complaints have related particularly to advertising in newspapers and pamphlets and solicitation of patients by lay salesmen and business managers in the employ of groups of our members organized as clinics and hospital associations. The participants in many of these violations have been members of component societies associated with the older proprietary commercial hospital associations and clinics engaged in contract practice. Other violations, sometimes of an even more extreme character, have been committed by members of recently organized "mutual" associations which involve a large percentage of the entire membership of the local component society.

THE COUNCIL IS THE BOARD OF CENSORS OF THE SOCIETY

Under the Constitution and By-Laws, it is the duty of the Council to consider and decide all matters of an ethical nature which affect the state society. This duty is imposed upon the Council by provisions of the By-Laws. Inasmuch as these provisions of the By-Laws require the Council to act as the Board of Censors of the state society and to consider and act upon all questions of an ethical character, the Council is of the firm opinion that the time has come when it is incumbent upon it to make a definite pronouncement concerning the enforcement of The Principles of Medical Ethics.

THE ACTIVITIES OF THE COMMERCIAL HOSPITAL ASSOCIATIONS

For many years the commercial hospital associations have been engaged in obtaining medical practice by
4242 unethical means, including the employment of paid lay solicitors, advertising in newspapers and peri-

odicals, and pamphlets distributed to employers and employes. Prior to the depression there was some protest against the unethical activities of these associations in soliciting medical practice in various parts of the state, but the volume of practice so obtained was such a small part of the total volume of medical service that little consideration was given to the ultimate effects of the operation of these associations on the private, individual practice of medicine. In fact, so little attention was paid to the operations of these organizations by the local societies or the state society that many members of the component county societies consented to be placed upon the local panel of these associations. Little notice was given to this situation, in spite of the fact that these members were receiving practice which had been obtained by the hospital associations by unethical methods. These members were, in fact, obtaining practice by advertising and solicitation, notwithstanding the fact that these acts were performed by agents of the hospital associations.

INFLUENCE OF THE DEPRESSION—COMMERCIAL COMPETITION

Offered as a Solution—Development of the "Mutual" Hospital Associations

With the advent of the depression and the consequent curtailment of physicians' incomes, members of many component local societies were led to an analysis—which should probably have been made long before—of all the various causes leading to the impoverishment of the physician. Among these causes were found the activities of the commercial hospital associations, by reason of the fact that they had secured in some local communities a partial monoply of medical practice among the employees of the larger industrial concerns. Hand in hand with this development was the increasing solicitation by the commercial hospital associations, which heretofore had largely limited their activities to the lumber industry and other in-
4243 dustrial operations in isolated localities for removed from existing professional and hospital services, of a new class of business in towns and cities where medical service was readily available to all under the usual conditions of private practice. This change of policy by the commercial hospital associations was necessitated by the curtailment of operations in the lumber industry and its various subsidiary branches, which had previously formed

the foundation of hospital association business. Among this new class of business sought by these associations to bolster their falling revenues from the lumber industry were stores, garages, offices and banks.

The net result of this situation was the development of a movement among the membership of certain component societies to meet this loss of practice by organizing the membership of the local society into a hospital association and by offering the same coverage provided by the older proprietary associations to fight for this practice on a competitive, commercial basis through the employment of lay solicitors, newspaper advertising and the distribution of pamphlets. This movement was based upon the conclusion that the only way in which the pernicious activities of the commercial associations could be met was to engage in a competitive struggle with these associations by employing the very methods of obtaining patronage which ethical physicians have so long condemned.

UNETHICAL COMMERCIAL COMPETITION NOT THE REMEDY

That the method of commercial competition is not the only way to meet the unethical practices of the commercial associations and the resultant injury to the medical profession from the standpoint of both economic and prestige is evident from the fact that the members of at least one local component society have succeeded in preventing these pernicious practices by the simple expedient of acting as a unit in serving notice upon these associations that they will not attend the patients of these
4244 organizations who have been obtained by unethical practices. In other words, the members of this particular local society concluded that they would uphold The Principles of Medical Ethics by refusing to associate themselves with an unethical enterprise. It would appear that this course of action is entirely sound as a solution to the abolition of the unethical practices of the commercial associations.

Another method of coping with the commercial associations which has been successfully pursued in some communities of the state is that under which the local hospitals have refused to care for their patients except at the same charges made to private patients occupying the same type of accommodations. This policy is in contrast to the practice in many communities in which the hospitals have seen fit to provide service to hospital asso-

ciation patients at charges considerably below the usual charges for similar service and in some cases at rates below cost. Under these circumstances, the private patients of the local medical profession are in fact subsidizing the commercial hospital associations in that the increased amounts charged private patients are used to offset the low rates granted to the hospital associations.

THE ALLEGED DIFFICULTIES OF THE LOW-WAGE EARNER

Much has been said and written in recent years concerning the alleged difficulties of the low-wage earner in obtaining medical care. This propaganda has been accepted by a considerable number of physicians, in spite of the fact that no tangible evidence has been submitted to indicate that any section of the population, either the indigent or those with low incomes, has been denied medical care under the existing system of private, individual medical practice.

ULTIMATE EFFECTS OF CONTINUED VIOLATIONS OF THE PRINCIPLES OF MEDICAL ETHICS

The Council is gravely concerned over this rapid spread of unethical contract practice in several parts of the state in defiance of The Principles of Medical Ethics which are embodied in the Constitution and By-Laws of our component societies as well as of the state society. It must be borne in mind that one of the basic reasons for the development of The Principles was to provide standards of conduct for physicians which have been proven by centuries of experience to be essential to good medical service to the public and the ultimate welfare of physicians themselves. If present trends continue, it is evident that the practice of medicine in our state will cease to be conducted on a professional basis and will degenerate into a commercial pursuit in which physicians will be forced to engage in a mad scramble to obtain patronage by the crudest of commercial methods.

The investigations of the Council indicate that many of the violations concerning which complaint has been made have probably developed unconsciously or thoughtlessly as a result of the efforts of the members of some component societies to meet the adverse situation created by the unethical practices of the commercial hospital associations. It is unfortunate that the local societies and the state society have heretofore failed to deal effectively with thes associations and to perceive their ultimate destructive

effects upon the ethical, individual practice of medicine. Nevertheless, there is grave question as to whether the problem may be solved by the creation of organizations of the local medical profession which indulge in the same evil practices and unethical methods of which the commercial association have so long been guilty and thus reduce physicians to the status of commercial medical promoters.

The Council is especially concerned over these widespread violations of The Principles of Medical Ethics for the reason that the status of our state society as a constituent association of the American Medical Association may become involved if the present situation is not speedily corrected. The Principles of Medical Ethics are incorporated in the Constitution and By-Laws of the state society and its status as a federated society of the American
4245 Medical Association is dependent upon the agreement of the state society to abide by The Principles. This agreement to abide by The Principles extends to all component societies, each of which exists as an integral part of the state society and the American Medical Association only by virtue of the charter granted by the state society.

It is apparent that the many privileges of membership in the American Medical Association, including eligibility to membership in the various national, special societies, may ultimately be endangered if present violations of The Principles do not cease. The duty of the state society to assist its component societies to keep their houses in order and thus preserve for their members the numerous benefits attached to membership in the American Medical Association is therefor inescapable. There can be no doubt that if existing trends, in which only a minority of the members of all the component societies are now involved, continue, the status of the large majority of our members who are conscientiously and faithfully following The Principles of Medical Ethics will ultimately be jeopardized.

RECOMMENDATIONS

The Council is of the opinion that the time is now at hand to make a definite declaration concerning existing and widespread violations of The Principles of Medical Ethics and to make every effort to see that the members of the componen' local societies are made fully aware of the ultimate effects of present trends on the practice of medicine in the state.

The Council therefore makes the following recommendations:

1. That a copy of The Principles of Medical Ethics be supplied to every member of the component societies.

2. That the provisions of The Principles dealing with contract practice, advertising, solicitation, relation of physicians to commercial organizations, etc., and the 4246 interpretive decisions of the Judicial Council of the American Medical Association be prepared in mimeographed form and supplied to every member of the component medical societies.

3. That the members of the component societies be advised that upon application and election to membership each entered into an agreement with the component medical society, the Oregon State Medical Society, and the American Medical Association to observe "The Principles of Medical Ethics".

4. That the component societies be advised that the existence of the Oregon State Medical Society as a federated, constituent society of the American Medical Association is predicated upon an agreement to enforce "The Principles of Medical Ethics" which are embodied in the Constitution and By-Laws of our state society; further, that the existence of each local medical society as a component society of the Oregon State Medical Society by the authority of the Council of the state society, is likewise predicated upon an agreement to enforce "The Principles of Medical Ethics" which are embodied in the Constitution and By-Laws of each component society.

5. That the members of component societies engaged in unethical contract practice through association with clinics, proprietary hospital associations, the newer mutual associations, as a consultant or otherwise, be requested to cease such activities and to conduct themselves in accordance with The Principles of Medical Ethics.

6. That the Council offer its services to the component medical societies for the purpose of rendering opinions in specific situations where the component society, or any member thereof, is in doubt as to whether or not a particular contract or procedure is unethical, the Council in so doing to follow the various decisions of the Judicial Council of the American Medical Association.

Plaintiff's Exhibit 267

4250 THE LABORER IS WORTHY

Some outside communities have finally seen the light. After many years they are rising to cast off the yoke. Too long have they been giving valuable service for a pittance. Recently they have discovered that there is a recognized Oregon State Medical Fee Schedule.

Get together, doctors—you in communities outside. Stand pat, and shoulder to shoulder. If called upon to attend John Smith, who carries a green slip from the Prudustrial Hospital Association, remember that you are entitled to regular fee schedule rates. Insist upon your rights. We wonder if an attorney can tie up the funds that the employer pays to the above association?

Talk to the managers of your local hospitals. Tell them that your cash payment patients expect the exact rates, for every service, that Hospital Associations pay for their subscribers. Why should cash customers carry the losses of the delinquent and charity class, and let Hospital Associations free of their legitimate share of the load?

And speaking of the charity class, what charity service is rendered by Hospital Associations? Nothing, unless you call charity that extra service which they, for good-will purposes, extend to executives and their families. And do the employees know that their monthly stipend pays for the gratuitous services given to the boss and his family? And do you notice that the more associations, the greater charity load is there heaped upon the ethical independent physician, who keeps clear of such degraded practice?

It is gratifying to notice how outside communities are moving in. Keep it up, brethren. A new day seems to be dawning. Don't accept any fee which represents a certain per cent of a certain cheap fee schedule. To do so is harmful to your own best interests and those of the individual private practice of medicine.

4252 JUST ONE MAN'S VIEW ON THE QUESTION OF STATE MEDICINE

By Charles T. Sweeney, M.D., F.A.C.S.
President, Pacific Northwest Medical Assn.

I will begin this article by saying frankly in the first place that I do not believe in State Medicine, or that there should be any essential change in any way in the practice

of medicine, or of medical care in this country. I do not think the American people are ready for anything of the kind. I do not think that they are that near something that to me, at least, savors of Socialism.

I think that one great trouble with medicine and the American people is the fact that doctors themselves and medical associations of one kind or another, encouraged of course by some research committees or foundations, have agitated this question of State Medicine to an undue extent. I know in some communities that this is true: that had the doctors themselves not been agitating something of the kind the public in general would never have thought there was anything to it.

Contract practice and so-called hospital associations are another menace. These organizations tend to educate the public for State medicine, or to demand more than the hospital associations or contract previously covered. Worst of all, I fear for the medical profession itself; that lowering of the standard of service and that loss of self-respect which is sure to result, should medicine become what seems to me a part of Socialism, as it would undoubtedly be if any form of State medicine should be adopted.

In my opinion, nothing can beat the old-fashioned practice of medicine, which to be successful always depends, first, upon a well grounded preparation for one's life work, then a personal interest in each individual patient which is always enhanced by true merit, to be sure. The fees
4253 for medical service have always been based on the ability of the individual patient to pay. A friendly and healthy competition, individual merit and a high regard for that noblest of professions, namely, the practice of medicine, will always be the foundation for competent care of the American people.

In the last twenty-five years preventive medicine has attained a worthy degree of prominence, but progress along these lines can be well cared for by the Federal Public Health Service, State Boards of Health and County Health Units, which are becoming more generally established all the time. These various agencies have never been refused ample support from the ranks of the general practitioners of medicine. They can always depend on that support, and ultimate success in preventive medicine is just as sure to win along the old lines as it could under anything new.

Again, I must say no to any radical change governing medical service in the United States at the present time. Practice of medicine as it has always been practiced is

the greatest stimulus that could possibly exist to bring out the best there is among the men in the ranks of the medical profession. We have never failed the American people; we are not doing so now and we won't in the future.

These observations and opinions are based on forty-five years of active practice.

* * * * *

(This exhibit is part of the February 15, 1936 issue of the *Medical Reporter*.)

Plaintiff's Exhibit 268

4256 THE CAUSE OF THE GREAT DISCONTENT

The greatest cause is Hospital Associations. The worst types are lay-controlled. Listen to the Big Executive of one of these institutions talking to a corporation-manager, concerning the terms of a contract for medical care of the latter's employees:

"The names of my doctors you want to know? I'll get you a list of the members of the Medical Society. I hire anyone I want,—when I want him. And if you should get sick—if the Missis gets sick—or your assistant-manager, or his Missis—the best room in the Hospital, the best specialists, nurses, X-ray—anything you like. Of course, my own doctors,—they're good you know—but when you get sick, or the wife—you let me know—me personally—y'understand?"

"What you doin' Sunday Like to fish? Come up to my place, up the river. Ain't you ever seen my place? Boy, you'll have a time. It's a date. Sign here."

Its a nice place. Doctors paid for it—plenty.

The Big Executive punches a buzzer. The Star Salesman enters. Again we listen in:

"Listen to me, Nate—why don't you sell Factory & Son? Seven hundred employees and for over a year you fall down. Listen to me, Nate—why haven't you done it; huh?"

"I just found out something this morning, Mr. Westfold. His wife—she has the Chronic Epigastric—twice a week she goes to Doctor Whichfield."

"What! Dr. Whichfield—Chronic Epigastric? Where is my—where is it—my consultant-list? Hey, Burke, how come you leave Whichfield off my consultant-list? Dumbkopf! Do I have to tell you Whichfield is the big noise in Chronic Epigastric? Right away we'll send him two,
4257 three cases Chronic Epigastric. No matter how much he charges, I'll pay it."

"Miss Kazink, get me printed another list of my consultants. Put Dr. Whichfield at the top—seven hundred employees—listen to me, Nate—you lay off this Factory contract. Next week I'll call on those people myself,—seven hundred employees—next week."

It's a nice contract. Dr. Whichfield sold it for Westfold. It cost that physician and the profession—plenty.

Medical organization's function is not chastisement of its membership. Rather is its purpose protective. In every possible manner the national organization strives to defend its ethical membership against the dangers of lay encroachment.

Let us read once more a decision of the Judicial Council of the A. M. A. (This is our Supreme Court.) Apply this mandate to the story we have just told.

"It is unprofessional for a physician to dispose of his professional attainments or services to any lay body, organization, group or individual, by whatever name called, or however organized, under terms or conditions which permit a direct profit from the fees, salary or compensation received to accrue to the lay body or individual employing him. Such a procedure is beneath the dignity of professional practice, is unfair competition with the profession at large, is harmful alike to the profession of medicine and the welfare of the people, and is against sound public policy."

4258 • • • • •

THE PROPRIETARY HOSPITAL ASSOCIATIONS

(From the Multnomah County Medical Society's Report of the Committee on the study of care for low-income persons.)

Your committee believes that the proprietary hospital associations possess all the objectionable characteristics

which have developed in the Multnomah Industrial Health Association as well as some additional features in contravention of the principles of high-type medical practice. Among these latter features may be mentioned the practice of providing "courtesy" service to executives for the purpose of creating good will with organizations whose workers are under contract. This "courtesy" service often includes complete medical, nursing, and hospital care in a major illness.

* * * * * *

4259 MULTNOMAH COUNTY MEDICAL SOCIETY

COMMITTEES—1936

Committee on Public Policy and Legislation
Thomas Wynne Watts, Chairman
Ralph A. Fenton
A. M. Webster
Banner R. Brooke
John C. Adams
W. J. Gilstrap

Committee on Hospital Betterment
Thomas M. Joyce, Chairman
E. W. Rockey
Raymond E. Watkins
W. B. Holden
Roy A. Payne
John Fitzgibbon

Committee on Library
Karl H. Martzloff, Chairman
G. C. Schauffler
Otis B. Wight
W. H. MacDougall

Committee on Membership
Merle L. Margason, Chairman
F. A. Kiehle
N. W. Jones
Charles P. Wilson
Cecil Ross

Committee on Public Health and Hygiene
Frank R. Mount, Chairman
Frank R. Menne

Ralph A. Fenton
Floyd South
Kenneth Smith
F. B. Zener

Committee on Publicity
Richard B. Adams, Chairman
A. G. Bettman
W. F. Hollenbeck
L. J. Meienberg
C. O. Sturdevant

Committee on Constitution and By-Laws
D. C. Burkes, Chairman
Earl D. DuBois
J. B. Bilderback
W. C. Panton

Board of Censors
Charles E. Sears, Chairman
Frank R. Mount
Robert L. Benson

Committee on Program
John C. Adams, Chairman
W. F. Hollenbeck
Charles P. Wilson
G. E. Burget
Howard P. Lewis

Committee on Clinic and Institutional Care
S. G. Henricke, Chairman
Frank R. Mount
Charles P. Wilson
Roy S. Stearns
Ray Kaupp
James Buckley
B. A. Van Loan

Committee on Medical Economics
Stanley Lamb, Chairman
W. K. Livingston
John R. Montague
Roy A. Payne
Louis P. Gambee
R. Bissett
Eugene Owen
Leon Goldsmith

Advisor to Woman's Auxiliary
Charles E. Sears

Committee on Relations with Medical School
Robert L. Benson, Chairman
T. Tharaldsen
Merle L. Margason
Frank R. Menne

* * * * * *

(This exhibit is part of the January 15, 1936 issue of the *Medical Reporter*.)

Plaintiff's Exhibit 269

4265 THE MEDICAL REPORTER

Issued by the Committee of Publicity
OREGON STATE MEDICAL SOCIETY

Vol. II MARCH 15, 1936

This Publication is issued bi-weekly during the greatest part of the year. It carries the programs of the State Medical Society and of the Multnomah County Society. In addition it aims to publish news of interest to all of the physicians of the state. Subject to the limitations of space and editorial judgment of the general character of material presented, its columns are open to any doctor of the state who has a fact or facts to offer.

4268 STARTING TO GO

The following statement was unanimously endorsed by the Multnomah County Council at the meeting Tuesday, March 10:

The Council of the Multnomah County Medical Society announces its determined opposition to all forms of contract practice, or groups not in harmony with the policies, rulings, and code of ethics of the American Medical Association. We believe that our attitude is for the best interest of the medical profession, and the public welfare. We therefore call upon our membership engaged in these groups as active members, or as consultants, to sever their connections with all such forms of practice.

We realize that many of our most loyal members have in the last few years considered favorably an organization

for the purpose of combating the unfair practices of the commercial groups; but our code of ethics applies to groups, as well as to individuals. Since solicitation is apparently necessary for the success of such organizations, all groups employing solicitation, no matter what their purpose, are operating in defiance of our code.

We are pledged to the support of the code of ethics of our national and state organizations, and therefore urge all society members approving this request to answer and sign the questionnaire which is being mailed to them.

AND HERE IS THE QUESTIONNAIRE:

A SURVEY

(For the information of the Council of the Multnomah County Medical Society)

All members are requested to respond to each statement printed below, sign the declaration and return it to the secretary. The responses will be considered confidential. If any member feels that he should not sign his 4269 name, he may return the form unsigned. However, it is the wish of the Council that there may be 100% response, and that all sections of the form be filled out. Please attend to this, at your earliest possible convenience. Space is provided for comments and a free expression of opinion is desired.

(approves)

1. The undersigned (disapproves) of the policy of the Multnomah County Society Council in its opposition to all contract practice, not in harmony with the code of ethics of the American Medical Association. (Cross out bracketed word which *does not* express your sentiment.)

(is)

2. The undersigned (is not) willing to join in an agreement not to engage in contract practice, not in harmony with the code of ethics of the American Medical Association, including consultation-work. (Cross out bracketed words that *do not* express your sentiments.)

.....

Signed.

COMMENTS:

(And a plentiful space is provided for comments.)

school and the excellent service which Miss Hallam and her associates have given the physicians of Oregon.

COUNCIL ON PHARMACY AND CHEMISTRY

The Council has completed thirty years of admirable service. Its work with new drugs and methods of therapy should be well known to every physician and would make an excellent subject for presentation before component societies too many of the members of which are receiving unsound advice from detail men of commercial concerns interested in promoting the sale of low grade pharmaceutical preparations.

COUNCIL ON PHYSICAL THERAPY

This group has worked for ten years analyzing, investigating and reporting on physical therapy methods and equipment. Physicians interested in physical therapy or those contemplating purchase of physical therapy apparatus will do well to familiarize themselves with the work of the Council and to consult the publications of the Council before investing in apparatus which may not be of value.

BUREAU OF LEGAL MEDICINE AND LEGISLATION

The Bureau presented a lengthy report of its work in connection with legislation, all of which has been covered in the Journal and in the numerous publications of the Bureau. Your delegate wishes to emphasize the importance of the work of this Bureau and to urge all members of our state organization to interest themselves in the reports.

BUREAU OF MEDICAL ECONOMICS

The Bureau has made extensive studies of all matters involved in Medical Economics and is in a position to supply information to anyone interested in studying sickness insurance, contract practice, workmen's compensation, group practice, prepayment plans, group hospitalization, care of the indigent sick and many other matters of equal importance. The value of every physician becoming familiar with these matters and to basic principles involved can not be over emphasized, if we are to work out our problem by sound judgment rather than emotional reactions.

BUREAU OF HEALTH AND PUBLIC INSTRUCTION

This group has expanded its work, added to its personnel, and is continuing the radio programs and cooperating with government agencies and lay organizations.

BUREAU OF INVESTIGATION

Arthur J. Cramp, for nearly thirty years Director of this Bureau, was compelled to retire because of ill health. Frank J. Clancy, an alumnus of our local medical school and a member of Washington State Medical Association, has been appointed Director of the Bureau. The work which is familiar to all physicians will continue under supervision of Dr. Clancy.

BUREAU OF EXHIBITS

Exhibits at Kansas City were of such a character as to excite the admiration of all who attended. The new Kansas City Municipal Auditorium provided adequate spaces and those inclined could have spent most of the week visiting exhibits of value. Oregon was well represented among the exhibitors.

AUDITOR'S REPORT

The auditor's report showed the association to be in sound financial condition. Details have been published in *The Journal.*

JUDICIAL COUNCIL

This hard working body, among other matters, "called attention to the necessity of closely following proper procedure in the conduct of trials based on charges against members of component and constituent organizations and of the necessity of coordinating the governing by-laws of the state association and its component societies." Your delegate, in accordance with the recommendation of the Council, brings this portion of the report to the serious attention of the officers and representatives of the component societies of the Oregon State Medical Society.

The Judicial Council in commenting upon group hospitalization reminds us that "whether the scheme is or is not judicially or economically sound is not the problem of our organization, but it is our business to see that the furnishing of medical service is not included in the sale of insured hospital accommodations. This can be done, if

a strong stand is taken and maintained by the organized medical profession, which must keep a watchful eye to see that medical care is not initially or later included when the usual sales efforts demand increased benefits to purchasers."

COUNCIL ON MEDICAL EDUCATION AND HOSPITALS

The Council has called to the attention of all approved hospitals the resolution of the House of Delegates of the Cleveland session, expressing the opinion that physicians on the staff of hospitals approved for interne training should be limited to members in good standing of their local County Medical Societies.

A survey of medical schools has been completed, eighty-seven schools in the United States and Canada being visited. An attempt was made to visit schools of osteopathy, but the Associated Colleges of Osteopathy refused to permit inspection by the Council.

In the last eight years, about 3000 different hospitals have been visited one or more times by the Council inspectors. Other inspections have included schools of occupational therapy, schools for the training of technicians in physical therapy, and schools for the training of technicians in clinical laboratories.

The Council has also expressed its approval of examining boards in the following specialties: dermatology and syphilology, orthopedic surgery, pediatrics, psychiatry and neurology, and radiology, approval of an examining board in internal medicine has recently been added.

A survey of the graduate training of physicians is to be undertaken soon. The work of the Council has been so heavy that it appears necessary to add an additional hospital inspector.

A resolution introduced by Wm. R. Brookshor of Arkansas, condemning as unethical the listing of physicians by specialty in directories published by commercial concerns, was referred to the Judicial Council and after their endorsement was unanimously passed by the House of Delegates.

Amendments to Constitution and By-Laws were read, also names of newly elected officers (omitted for lack of space).

RESOLUTION APPROVED BY THE COUNCIL OF THE OREGON STATE MEDICAL SOCIETY FOR SUBMISSION BY DR. JOHN H. FITZGIBBON TO THE HOUSE OF DELEGATES OF THE AMERICAN MEDICAL ASSOCIATION AT THE KANSAS CITY SESSION

Whereas, it is the function of the council on Medical Education and Hospitals to supervise the undergraduate instruction and hospital training of young physicians; and

Whereas, a vital part of training young physicians should be to instill in them sound ethical standards; and

Whereas, in many hospitals of the country younger physicians serving as internes or residents are under the tutelage of physicians who are obtaining patients through solicitation and other unethical practices; and

Whereas, many hospitals are granting those unethical staff members special privileges in that the hospitals are supplying service to the patients of these staff members at charges below those made to the patients of ethical staff members, the effect of which practice is to
4342 subsidize these staff members at the expense of the patients of ethical physicians; and

Whereas, these unethical practices by staff members and by the hospitals themselves tend to destroy the professional idealism of young physicians serving as internes or residents and soon to enter practice, therefore, be it

Resolved, that the Council on Medical Education and Hospitals, before granting approval to hospitals for general internships or residencies in the several specialties, shall first assure themselves that each and every staff member of any hospital under consideration for such approval is conducting his practice in accordance with the Principles of Medical Ethics, and that such hospital is not granting special privileges to any of its staff members in the form of lower rates for patients of such staff members.

JOHN H. FITZGIBBON,
Delegate

Drs. Sears, Bettman and Sweeney spoke in commendatory terms of the service rendered by Dr. Fitzgibbon as delegate and told of the high esteem in which he was held

by the House of Delegates of the American Medical Association.

Dr. Vandevert discussed the necessity of greater activity in politics by physicians and the need of additional physicians in the state legislature in order to defeat proposals inimical to scientific medicine referred to in Dr. Fitzgibbon's report.

The report was then referred jointly to the committees on Resolutions and New Business.

* * * * * *

Committee on Public Policy

Owing to the fact that the past year was not a legislative year, our committee has not been pressed with matters of legislation affecting the medical profession and the public health. Nevertheless, numerous situations have arisen which demanded careful attention.

Chief among these were the debates on sickness insurance in our high schools, colleges and universities. As you will recall, the National University Extension Association Debate Committee selected as the subject for debate during 1935–1936 the proposal: "Resolved, That the several states should enact legislation providing for a system of complete medical services available to all citizens at public expense." Following this action, the subject of compulsory sickness insurance was debated by more than 100,000 students in high schools, colleges and universities in various parts of the United States. This subject was widely debated among the schools in our state.

Through society headquarters, our committee arranged to make available to debaters the negative material prepared by the Bureau of Medical Economics of the American Medical Association. Several hundred pamphlets were distributed to debaters and coaches. In addition, an extensive correspondence was carried on in response to numerous inquiries concerning the viewpoint of the medical profession of Oregon on this question.

More recently, the United States Department of Education selected Portland as one of the cities in which it would conduct so-called public forums. One of the topics selected for discussion was socialized medicine. The local administrator of the Portland Public Forum requested the cooperation of the Multnomah County Medical Society in presenting the affirmative and negative arguments on this question. Our committee cooperated with the Multnomah County

Medical Society in assigning speakers to discuss socialized medicine and in providing these speakers with information, particularly such as would show the evils of this form of medical practice.

The course of these discussions quickly revealed that the medical profession was at a disadvantage in appearing on the platform with the leader of the forum and for the most part espousing the negative side of the question. For this reason, the physicians who participated in the last few discussions were advised to remain in the audience and present the evils of socialized medicine in an informal manner in the course of the discussion from the floor which followed the presentation of the subject by the forum leader. It was clear that these latter tactics were more advantageous in that by ceasing to appear on the platform and presenting a negative point of view at the outset, the medical profession was in a position more effectively to puncture the balloon inflated by the proponents of socialized medicine. There is no doubt that this initial experience in combating state medicine provided valuable information for the determination of the proper strategy to be employed by the medical profession in dealing with this problem in the future.

We are convinced that the time has arrived when it is desirable for each component society to appoint an active committee whose members will inform themselves concerning the arguments for and against socialized medicine and who will be available at all times to present our viewpoint on this question. Such action is particularly imperative because it is likely that this subject will become a topic of increasing interest on the part of the various lay organizations in every community.

Our committee is planning to have several bills introduced at the coming session of the state legislature. One of these will be an amendment to the Doctors' Title Act enacted at the 1935 session which requires that each practitioner of the healing art shall indicate in all announcements to the public the particular branch which he is licensed to practice. Several cult practitioners have succeeded in evading this law by adopting assumed names for the advertisement of their practice. The committee proposes to amend the law to include clinics, institutions and other assumed names, as well as individual practitioners.

The committee also plans to introduce a new medical practice act which will eliminate numerous defects in the

existing law. Among the defects which need to be corrected is the provision in the present law which permits a physician to obtain a jury trial in the Circuit Court, following the revocation of his license by the State Board of Medical Examiners. This procedure is inconsistent with prevailing legal theory concerning appeals from the
4343 decisions of administrative boards, under which an appeal to the courts is regarded as a judicial review to ascertain whether the administrative board has granted an impartial hearing and has acted in accordance with the law. Under the present act, a jury of laymen may ultimately pass upon all the detailed matters which led to the revocation of the license of a physician. This unsound situation is one of the major factors in rendering ineffective the enforcement of the present medical practice act.

The Committee has obtained the approval of the Council for a conference of the physician-members of the state legislature in Portland prior to the 1937 session. As pointed out in previous reports, the splendid cooperation of the physicians in the legislature has been the most potent factor in our recent success in obtaining the passage of desirable public health legislature and in the defeat of undesirable measures. We are hopeful that there will be a relatively large representation of physicians in the coming session. The outlook is especially hopeful, inasmuch as five physicians appear to have an excellent chance of election to the House of Representatives, while the presence of one holdover physician-senator is assured.

The committee wishes to call the attention of physicians to the so-called "Truthful Advertising Constitutional Amendment" which will be on the ballot in November. This amendment is one of the most vicious initiative measures which has yet been proposed and its adoption would nullify existing regulation of advertising in the Medical Practice Act, as well as in numerous other professional practice acts. This amendment would also destroy existing safeguards which protect the public against misleading, immoral and indecent advertising, particularly in relation to contraception, and the treatment of venereal diseases. Physicians are urged to do everything possible to aid in the defeat of this amendment.

THOMAS WYNNE WATTS,
Chairman

This report was discussed by Drs. Fitzgibbon, Adams, Zener and Johnson, particularly from the standpoint of the tactics necessary to meet propaganda in the state for socialized medicine and prepayment schemes of medical care.

Dr. Holcomb suggested that the Committee on Resolutions consider the adoption of a recommendation that each component society devote at least 50 per cent of its programs to the education of its membership in current trends in medical economics.

The report of the Committee on Public Policy was referred jointly to the Committees on Resolutions and New Business.

Committee on State Industrial Affairs

The work of this committee has been somewhat handicapped during the past year by changes in personnel. Dr. Tharaldsen, the chairman, resigned in May and the present chairman was appointed in his place. The vacancy in the committee was filled by the appointment of A. M. Webster, past president of the society, who was chairman of this committee for several years. Dr. Webster has been appointed vice-chairman of the present committee.

There has been some discussion among the membership concerning the status of the agreement under which the State Industrial Accident Commission is compensating physicians on a basis of our Minimum Industrial Fee Schedule, less a discount of 25 per cent. One component medical society has requested that steps be taken to obtain the elimination of the discount. This subject was discussed by the Commission and our committee on September 13, 1935. We quote from the 1935 report of the committee setting forth the viewpoint of the Commission on this question as expressed at that conference:

"The representatives of the Commission stated that the protection of the Workmen's Compensation Act had been extended to workers employed on SERA projects, although legally such workers were not employees, but wards of the various governmental units. They stated that, while it had been desirable to provide such workers with this protection, an extra burden had been thrown upon the State Industrial Accident Fund by reason of the fact that many of these workers were below the physical standard ordinarily acceptable to private industry. They indicated that the Commission would be very well satisfied if the

books could be closed on this class of coverage without the necessity of their reaching into the contributions derived from normal employment. The representatives of the Commission pointed out that the medical profession had benefited by this policy of bringing SERA workers under the Act, because otherwise physicians would have treated these workers as charity patients or on the basis of allowances much below the compensation paid the doctors from the State Industrial Accident Fund. They expressed the opinion that a comparison of medical aid costs during this period of emergency relief employment as against those previously prevailing would not reflect a lower medical cost per claim upon which might be based a reduction in the existing discount of 25 per cent."

Under date of September 9, 1936, we addressed the following letter to the Commission (omitted for lack of space).

Under date of September 19, 1936, we received the following reply from the Commission (omitted for lack of space).

The salient features of the present situation may be summarized as follows:

1. The cost of the services of physicians per accident case has increased from $7.83 to $11.17 during the period since July 1, 1934, when the existing arrangement was placed in effect. This increase is not necessarily due to the increases in the amounts paid for specific items of professional service. A part of this increase in cost per claim is undoubtedly due to increased employment in the more hazardous industries which has produced an increase in the severe class of injuries thus necessitating, on the average, a greater amount of medical care per case.

2. The Commission apparently is of the opinion that the increase in the compensation of physicians under the prevailing arrangement has not operated to reduce materially the extensive daily dressing of relatively minor injuries over extended periods.

3. The Commission maintains that it is not in reality receiving any discount from physicians but that its fee schedule is 25 per cent below our Minimum Industrial Fee Schedule.

4. The Commission has pointed out that its employees received a 25 per cent reduction in salary in 1933 and that only 10 per cent of this reduction has been restored.

5. The member of the Commission who represents the employers is opposed to any increase in costs which might necessitate further increases in employers' contributions to the Industrial Accident Fund, inasmuch as substantial rate increases have already been made.

6. The Commission is willing to continue the present arrangement indefinitely and claims that there is no great demand among the medical profession for any change at this time.

In view of the declarations by the Commission we are anxious to obtain instructions from the House of Delegates as to the policy which the Committee should pursue in dealing with this question. The relations between the Commission and the medical profession are now very friendly, due in large part to the policy of the past few years of discussing frankly in conference the various problems which have arisen. It should also be pointed out that in dealing with the problem of contract practice, we shall need the cooperation of the Commission in confining this form of practice to situations in which the presence of unusual factors makes it necessary.

Early this year a report reached the committee that the Washington Department of Labor and Industries had adopted a policy denying injured workers, resident in Oregon but under the protection of the Washington Compensation Law, the right to receive medical care from Oregon physicians and hospitals of their choice. On March 24 the committee took up this matter by correspondence with the Washington Department of Labor and Industries, the Oregon State Industrial Accident Commission, Governor Charles H. Martin, the Oregon State Federa-
4344 tion of Labor and several large employers. On April 14 we received information indicating that certain letters emanating from the Department to the effect that the police powers of the Department do not permit them to make expenditures from the Medical Aid Fund outside of the State of Washington were written by a subordinate employee and were in error. The Department further declared that it was not its intention to discriminate against Oregon physicians, provided that the injured workman meets certain requirements prior to the time when he reports to an Oregon physician for treatment. These requirements were stated as follows:

1. The patient must immediately report his accident to the Department of Labor and Industries at Olympia, Washington, and must report to a Washington physician for examination, initial treatment and report, prior to the time he transfers to an Oregon physician.

2. After reporting to a Washington doctor for first treatment, and after reporting his accident to the Washington Department, he may request the Washington doctor to transfer him to a physician in Oregon. After having complied with these requirements, the injured workman may report to the Oregon physician, who can institute treatment, and reports and bills covering treatment in this state will be given full recognition by the Washington Department.

3. In case of critical injury, the workman should be transferred to the nearest qualified physician and hospital, regardless of whether the physician and hospital be in Oregon or Washington. The Department of Labor and Industries will, however, protest any effort to move a critically injured workman a long distance in order that he may come under the care of his own family physician in this state, and while making the transfer pass through localities in Washington where there are qualified doctors and hospitals. The initial and emergency treatment in these cases should be rendered in the state of Washington, but after improvement has taken place so that the workman may be moved without danger, he may then be moved to a point nearer his home and transferred to an Oregon physician.

4. The Washington Department will not recognize an Oregon physician, nor his reports prior to the time the workman has established his claim in the State of Washington and prior to the time he has been first examined by a Washington physician. In other words, following injury, the workman must report to a Washington physician in the vicinity of the place of injury, and he may then request that transfer be made to an Oregon physician nearer his home.

5. There is no special form required by the Washington Department to effect a transfer from a Washington physician to an Oregon physician by patients who reside in Oregon, but a verbal request may be made to the first examining physician in Washington, and after the Wash-

ington physician has made the report that the patient has transferred, honored and recognized reports and bills from the Oregon physician, providing the workman is entitled to the benefits of the Washington law.

These requirements are, of course, much different in effect from the original report that the Washington Department of Labor and Industries was refusing to recognize our physicians in the treatment of Washington compensation cases. We can see no objection to these rules, as it would seem to be perfectly proper that the Washington Department should have the advantage of a report from a Washington physician, familiar with the law of that state, and thus be able to determine the merit of the workman's claim before he leaves the State of Washington. This policy is similar to that of the Oregon Industrial Accident Commission, except that the Oregon Commission does not necessarily require that an injured workman report for initial treatment to an Oregon physician.

It is probable that this recent situation in connection with Washington compensation cases arose in part from the extensive activity of Oregon medical contractors in the State of Washington, and perhaps to a legitimate desire on the part of the Washington medical profession to care for workmen injured in that state. The difficulty now appears to have been resolved in a reasonably satisfactory manner.

Another matter of importance which concerned the committee arose out of a suit filed by a member of our society against the State Industrial Commission to recover an amount for professional services in excess of the amount allowed by the Commission. While the amount of money involved in the suit was small, the question involved was of major import in relation to the existing arrangement with the Commission under which it uses our Minimum Industrial Fee Schedule as a base schedule and under which a Liaison Committee representing our society adjudicates individual disputes arising between the Commission and the medical profession. These provisions of the prevailing plan were adopted by the Commission at the request of our society as a means of establishing more satisfactory relations between the Commission and the physicians of the state. If physicians become unwilling to accept the decisions reached under this voluntary system and take appeal to the courts from the decisions so reached, it is obvious that much of the past efforts of our society

in this field will be nullified. The committee is pleased to report that, following a conference with the physician in the case, he voluntarily withdrew his suit and agreed to resubmit the controversy to the Commission and our Liaison Committee for settlement.

The committee has recently received word through a member of the Commission that a number of employers wish to have the Workmen's Compensation Law amended at the coming session of the legislature to bring certain occupational diseases under the provisions of the Act. The Commission desires our cooperation in a survey of occupational diseases in the various industries of the state, in order that any amendments submitted to the state legislature may be based upon medical fact. The present law provides for compensation and medical care only in instances of injury, although in practice the Commission has often recognized claims based on occupational diseases because technically there was an accompanying injury of slight degree. However, the Supreme Court has ruled that the law does not cover occupational diseases with the result that numerous claims are now being brought directly against employers. It is to protect themselves against such claims that many employers desire the law amended. The Committee solicits an expression from the House of Delegates as to its attitude on the extension of the Workman's Compensation Act to include occupational diseases, as well as information which would be of assistance to the committee in dealing with this question.

THOMPSON COBERTH,
Chairman

Dr. Coberth, chairman of the Committee on State Industrial Affairs, spoke briefly concerning the subject matter of the report and stated that the committee desired to make an additional recommendation, namely, that Section 9 of Chapter VIII of the by-laws be amended so as to read as follows:

The Committee on State Industrial Affairs shall consist of six members, each of whom shall serve for a period of three years; provided that immediately following the adoption of this amendment, two members shall be appointed to serve for one year, two for two years, and two for three years. This committee, subject to instructions from the Council, shall represent the Society in all matters relating to industrial medicine and surgery.

E. D. Lamb, of the Committee on State Industrial Affairs, stated that members of the committee should serve for at least three years and that the committee should meet at least once a month with the State Industrial Accident Commission at Salem.

The report of the Committee on State Industrial Affairs and the proposed amendment to the by-laws were referred jointly to the Committees on Resolutions and New Business.

Publication Committee

Your committee had held one formal meeting together with the Board of Trustees and Associate Editors of NORTHWEST MEDICINE on the occasion of their annual meeting. It has also held several informal meetings to
4345 consider various aspects of the Journal's welfare from the Oregon state point of view. These deliberations have been made the subject of a memorandum which is available through members of the committee. In brief the following matters have been considered.

1. The question of the advisability of discontinuing the office of associate editor was discussed at length. It was argued, on the one hand, that the office was devoid of any real significance as far as function was concerned, and that appointment to this office might be the source of potential difficulty and embarrassment. It was argued, on the other hand, that the office was potentially a valuable one and that it should be retained and revitalized and made a useful office. This matter, after informal discussion, was brought before the meeting of the Board of Trustees. The matter was left under advisement after Dr. Smith offered to devote his energies toward revitalizing the position. The question was raised as to the advisability of having an appointee for this office subject to acceptance by the Council of the State Society or of having the appointee chosen from a group suggested by the Council. This matter was also left under advisement since it was clear that general rulings in this department would be a matter for consideration by all of the component State Societies.

2. A number of questions were raised relative to the management of the finances of NORTHWEST MEDICINE. Considerable interested discussion developed the following conclusion which was unanimous for the committee: (a) that the Oregon Councilors advocate the election of one

of the Councilors, preferably a Seattle man, at least some one in a position to work conveniently with the Editor; that this Councilor be entitled Financial Councilor; that he advise with the Secretary-Treasurer in relation to all matters involving major financial operations of the Journal, notably the investment of excess funds, the allotment of money for salaries, the question of major expenditures such as printing prices, reprint prices, etc.; this Councilor to report back to the Trustees; (b) that this committee determine and reaffirm the stipulation offered by A. G. Bettman at the last regular meeting of the Board of Trustees to the effect that investments to be made with excess funds of the Journal be restricted to such securities and investments as are by law designated suitable for trust funds. No action was taken upon this suggestion at the general meeting, since it had been previously passed.

3. *Future welfare of the Journal*: The question of the conduct of the Journal in the event of the retirement of the present Editor was given due consideration. Clarence A. Smith asked for the appointment of Herbert L. Hartley of Seattle as Assistant to the Editor to fill the place formerly held by Dr. Bowers. Dr. Hartley was appointed by the Board of Trustees to fill this office. In this connection a resolution of high commendation was tendered to Clarence A. Smith of Seattle for his long, faithful and effective service.

4. *Production costs*: Your committee considered the question of production costs in relation to the printing costs for the Journal and especially in relation to reprint prices. This matter was brought up to Clarence A. Smith at the general meeting with the result that he made further observations indicating the reprints from NORTHWEST MEDICINE cost the author approximately in proportion to the other Journals, the A. M. A. Journal excepted. It was suggested that some action be taken, if possible, to obtain a lower reprint price from the printer, and that also careful scrutiny of printing costs be made with a view to obtaining a lower rate. Comparative prices were discussed and there was correspondence in relation to this point. This committee believes that this matter should be definitely followed up. In this connection it was pointed out that the Journal is in perfectly satisfactory financial condition, having a present excess of assets over liabilities of $3,300 approximately.

5. *Election of President*: At the recent meeting of the Trustees at the time of Pacific Northwest Medical Association meeting Adalbert G. Bettman, presiding at the moment as Vice-President, was elected to fill the vacancy in the Presidency. This vacancy existed because the man formerly elected President failed, upon the day following his election to this office, to be elected Trustee of the Journal by his component State Society. The result was that the office of President of the Board of Trustees was left vacant. Dr. Bettman was moved into this office and it was agreed that the Trustee to be elected shortly by the Washington Association would fill the office of Vice-President.

6. *Conclusion*: It is the sense of the majority of your committee that NORTHWEST MEDICINE is in eminently satisfactory condition; that congratulations are in order to its Editor, Clarence A. Smith, and that the chief matter for present concern is the question of the conduct of the Journal after the retirement of its present Editor.

GOODRICH C. SCHAUFFLER,
Chairman

This report was referred jointly to the Committees on Resolutions and New Business.

Committee on Medical Education and Hospitals

During recent years, the importance of the relationship of the physician and the hospital has become increasingly apparent. Generally speaking, the physician has given very little thought to hospital policies. He has been mainly concerned with having a suitable hospital connection and assuring himself that the facilities are adequate to enable him to practice in accordance with the standards of scientific medicine. Professional societies, such as the American Medical Association and the American College of Surgeons, have been largely concerned with establishing and enforcing proper standards for hospital facilities and personnel.

Until recently, little attention was given to the policy of certain hospitals which involved them in competition with private physicians in the specialties, particularly radiology and pathology. Another evil trend has been the inclusion on the staffs of some hospitals of physicians who obtain practice by solicitation and other unethical methods and the granting of preferential rates to the patients of

these physicians. The effect of this latter policy has been to subsidize, at the expense of the private patients of ethical physicians, a considerable number of unethical physicians associated with commercial prepayment organizations. The hospitals which have resorted to this practice have in effect been lending financial support to unethical medicine to the serious injury of private practice.

The House of Delegates of the American Medical Association has recently taken notice of these evils and has adopted certain definite policies looking to their elimination. These policies have been expressed in the recent pronouncement, disapproving the practice of medicine by hospitals and in the resolution proposed by our society which requires the Council on Medical Education and Hospitals to deny approval to hospitals seeking acceptance as approved institutions, for interneships and residencies, when such hospitals have on their staffs physicians who are violating the Principles of Medical Ethics or are granting lower rates to the patients of any of their staff members. These actions by our national association clearly indicate that the influence of organized medicine will be used to prevent hospitals from pursuing policies which injure ethical medical practice and thus tend to lower the standard of medical service to the people.

Another trend, involving the future of medical practice which is to be observed in various parts of the country and recently in our own state, is the organization of group hospitalization schemes. The movement toward group hospitalization has developed in part as a result of the agitation by the social welfare and related groups for changes in the method of delivering medical services and in part from the financial crisis with which many hospitals have been faced during the depression. Information in our possession indicates that a large percentage of such proposed schemes has failed, that group hospitalization shares certain evils inherent in all prepayment schemes, and that it is particularly undesirable when a third-party organization with the profit motive controls the plan.

Recently one of the proprietary hospital associations submitted a group hospitalization plan to the Portland hospitals. This proposal provided that the hospital association should have the exclusive right to use the names of the hospitals in selling hospitalization policies to the public and further provide that the hospitals should refuse to accept patients insured in any other similar plan.

It is apparent that under such a scheme the hospi-
4346 tals would shortly find themselves under the domination of the commercial concern promoting the venture, as has been the case with the medical profession and, to some extent, the hospitals of the state under the existing set-up of the proprietary hospital associations.

Before any new project for providing hospitalization or general medical service is placed in operation in any of our local communities, it is essential that the local medical society carefully study the proposal jointly with the Council of the state society. The Bureau of Medical Economics of the American Medical Association is now engaged in a study of group hospitalization and will shortly publish a comprehensive report on this subject. Until this information is available, it would be unwise for the hospitals and medical profession of our state to adopt or approve any new scheme of hospital service.

In view of the trends we have discussed above; it is imperative that the medical profession in each local community, through the local medical society and the hospital staff organization, should insist on having a voice in determining the policies of the hospitals in which they practice, insofar as these policies affect the maintenance of professional standards and the preservation of high-type medical practice. The importance of requiring membership in the local medical society as a prerequisite to membership on a hospital staff should be constantly stressed.

W. F. Hollenbeck,
Chairman.

This report was referred jointly to the Committees on Resolutions and New Business.

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4347 Second Session

Friday, October 9

The House of Delegates was called to order by President G. A. Massey at 7:30 a.m. at the Dalles Hotel.

On roll-call, the following members of the Council were present:

G. A. Massey, president; W. J. Weese, first vice-president; O. C. Hagmeier, second vice-president; J. C. Vandevert, third vice-president; O. F. Akin, treasurer; M. L. Bridgeman, secretary; Councilors C. E. Sears, K. H. Martzloff, C. E. Hunt, C. T. Sweeney, E. D. Lamb, Thomp-

son Coberth, J. P. Brennan, H. A. Cary, J. H. Fitzgibbon, delegate to the American Medical Association.

The following delegates were present:

J. C. Booth of Lebanon, Central Willamette Medical Society; E. H. McLean of Oregon City, Clackamas County Medical Society; R. J. Pilkington of Astoria, Clatsop County Medical Society; F. G. Swedenburg of Ashland, Jackson County Medical Society; E. L. Zimmerman and L. S. Kent of Eugene, Lane County Medical Society; H. P. Rush, N. W. Jones, R. B. Adams, A. G. Bettman, Stanley Lamb, F. R. Mount, J. A. Pettit, and I. C. Brill of Portland, Multnomah County Medical Society; H. A. Dowd and R. M. Waltz of Salem, Polk-Yamhill-Marion Medical Society; David Robinson of Tillamook, Tillamook County Medical Society.

M. L. Bridgeman, chairman of the Committee on Credentials, reported that, in the absence of the regularly elected delegates from certain component societies, certain members were present and eligible to be seated. On motion duly made and seconded, W. T. Johnson of Corvallis, Benton County Medical Society, and J. C. Hayes of Medford, Southern Oregon Medical Society, were seated by vote of the House.

Several members of the Society and guests were also present, including Olin West, secretary of the American Medical Association, and C. A. Smith, editor of NORTHWEST MEDICINE. The executive secretary was also present.

On motion of Dr. Fitzgibbon, and duly seconded, it was unanimously voted that the House go into executive session, that attendance be limited to members of the American Medical Association, and that all publicity dealing with the meetings of the House and the general society be released only through the regular channels.

Committee on Medical Defense

The committee is of the opinion that the medical defense activities of the society during the past year have been the most effective yet carried on. This situation is largely due to the fact that a carefully planned procedure has been carried out in connection with each claim or suit and to the establishment of extremely close cooperation between the committee and the principal insurance carrier.

The following tabulation shows the number and outcome

of claims and suits against our membership during the period of September 1, 1935, to October 1, 1936:

Claims: Number of Suits Filed

Pending at beginning of period	21
Filed during period	27
Total	48
Closed without payment	25
Settled for nominal amount	5
Pending at close of period	18
Total	48

Suits in Lower Court

Pending at beginning of period	21
Filed during period	5
Total	26
Nonsuits for physician-defendant	7
Jury verdicts for physician-defendant	2
Jury verdicts for plaintiff	1
Settled out of court for nominal amounts	0
Pending at close of period	16
Total	26

There was a marked decline during the past year in the number of suits filed. The number of claims (without suit) remained about the same, but many of these were of a trivial character and were closed without payment.

The committee calls attention to the fact that the principal insurance carrier has maintained the policy of contesting all claims which do not have genuine merit. This policy is in harmony with the experience of our committee that easy settlements tend to breed claims. During the past year, not a single case has been settled without careful analysis and prior approval by the committee as well as the defendant-physician.

The committee desires to point out that of a total of five claims settled during the period, two resulted from burns received from medical endothermy equipment. The incidence of these claims is increasing throughout the country and it is imperative that greater care be exercised in the use of this type of equipment. The committee recommends that the physician, or a qualified assistant, give close per-